

Date: May 19, 2015

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Mark D. Ahrendsen, Director, Department of Transportation
Subject: Parking Management Services Contract

Executive Summary

The City of Durham is required to operate, manage and provide maintenance for its off-street parking program as well as provide parking enforcement, citation processing and adjudication services for its on-street parking program. The Department of Transportation, specifically, is currently tasked with the day-to-day oversight of off-street and on-street parking in the Downtown and Ninth Street areas.

The City issued a Request for Proposals (RFP) to provide professional parking system management services for the operation of the City's Off-Street and On-Street Parking. Four firms, Lanier Parking Solutions, SP+ Municipal Services, LAZ Parking, and Republic Parking Systems, Inc., submitted proposals. On February 4, 2015, the Parking RFP Review Team consisting of representatives from Downtown Durham, Inc., American Tobacco Campus, Durham Convention and Visitors Bureau, Equal Opportunity Equity Assurance (EOEA), Office of Economic and Workforce Development (OEWD), Finance, Technology Solutions and General Services reviewed each proposal and interviewed the four firms. Based on the outcome of the finalist presentations, an evaluation team of City staff conducted site visits on February 19 and 20, 2015. Further, City staff interviewed the proposed subcontractors on February 25, 2015 and the proposed project managers on February 26, 2015. Upon the completion of the review process and interviews, the RFP Selection Committee recommends that the City enter into an Agreement with Republic Parking Systems.

Recommendation

To authorize the City Manager to execute a three year contract with Republic Parking Systems for parking management services for the period of September 1, 2015 – August 31, 2018 for a total not to exceed \$5,512,073.26.

Background

The City of Durham owns five (5) parking garages and 13 open parking lots in the Downtown area. The Department of Transportation is responsible for management of the Downtown and Ninth Street public off-street and on-street parking programs.

In July 2008, the City entered into a three-year contract with Lanier Parking Systems (LPS) of North Carolina, Inc. to operate, manage and provide maintenance for its off-street parking program, consisting of the Chapel Hill, Corcoran, and Church Street parking garages, and all City-owned surface lots. Additionally, LPS was contracted to provide parking enforcement, citation processing and adjudication for the City's on-street parking program.

In July 2011, the City executed a three-year contract extension renewal with LPS. The contract extension term with LPS expired on July 20, 2014. Staff recommended that the contract be amended before the contract expired and extended for the period of July 1, 2014 – June 30, 2015. The contract amendment incorporated on and off street parking management services in the Ninth Street area as a result of the City Council's approval of a parking lot lease with CPGPI Regency Erwin on February 17, 2014 that became effective March 1, 2014. Due to recommendations cited in the Downtown Parking Study, the contract amendment expanded on-street parking services in the following areas: American Tobacco, Bright leaf, and Central Park. In addition, the contract amendment incorporated additional security of one security officer roaming all parking garages from 12:00 am – 5:00 am (standard time), 2:00 am – 7:00 am (daylight savings time). The inclusion of the additional areas and additional security is achieved with additional citation revenue and negotiation of cost savings with Lanier Parking.

The fifth parking garage, North Garage, is operated and managed by American Tobacco Campus through a long-term lease agreement.

On November 3, 2014, the City of Durham issued a Request for Proposals (RFP) to provide professional parking system management services for the operation of the City's Off-Street and On-Street Parking Programs. Four firms, Lanier Parking Solutions, SP+ Municipal Services, LAZ Parking, and Republic Parking Systems, Inc., submitted proposals.

On February 4, 2015, the Parking RFP Review Team consisting of representatives from Downtown Durham, Inc., American Tobacco Campus, Durham Convention and Visitors Bureau, EOE, OEWD, Finance, Technology Solutions and General Services reviewed each proposal and interviewed the four firms. Based on the outcome of the finalist presentations, an evaluation team of City staff conducted site visits on February 19 and 20, 2015. Further, City staff interviewed the proposed subcontractors on February 25, 2015 and the proposed project managers on February 26, 2015. Upon the completion of the review process and interviews, the RFP Selection Committee recommends that the City enter into an Agreement with Republic Parking Systems.

Issues and Analysis

The Selection Committee's recommendation to enter into an Agreement with Republic Parking Systems Inc. was based on the qualifications of the firm and an analysis of the cost of service. Republic Parking Systems, Inc. presented the most comprehensive technical proposal and the second lowest cost of service. A summary of information concerning evaluation criteria, cost of service, scoring, qualifications, and contract features is provided below:

The Technical proposal provided each firm the opportunity to present the level of service the City would receive through its parking services. Within the level of service presented, each firm was evaluated within the following areas:

Rating Criteria

- Understanding of the Services
- Methodology Used for the Services
- Management Plan for the Services, and
- Experience and Qualifications.

Cost of Service- Fixed Management Fee – 3 Year Total

Total 3 Year Cost

Proposal	SP+ Option #1	SP+ Option #2	Lanier	Republic	LAZ
Total Fixed Fee	\$5,384,752	\$5,361,265	\$5,016,424	\$4,764,549	\$3,544,109

Scoring

Proposal	SP+ Option #1	SP+ Option #2	Lanier	Republic	LAZ
Technical	3.15	3.15	2.58	3.08	2.63
Cost	0.48	0.49	0.58	0.66	1.00
Average	3.63	3.64	3.16	3.74	3.63

Based upon the scoring methodology (weighted) established within the RFP (Technical – 80% and Cost – 20%), Republic Parking Systems Inc. scored the highest of the four firms.

Qualifications

- National Parking and Transportation Management Company with 49 years of experience managing 98 cities from coast to coast.
- Jamichael McGoy, the proposed Project Manager, has over thirteen (13) years of parking management experience. He is a Certified Administrator of Public Parking (CAPP) with startup, turn around, and operational growth experience in small to large operations. He has managed over 30 properties, in multiple cities, with budgets exceeding \$6 million in annual revenues.
- Largest provider of Municipal Parking Management Services
- Largest provider of On-Street Parking Services
- Well-defined staffing, maintenance and customer service plans
- Well-presented transition plan.
- Strong internal controls, auditing and financial reporting; and
- Use of advanced technology in parking management and operations.

Based upon the evaluation, Republic Parking presented a proven track record of coming into a new market and finding solutions to parking issues and seemed to have expertise in municipal environments. Republic also presented their company policy of training staff to be ambassadors for the public, by giving them firsthand knowledge of the City for those patrons who may have questions. Republic is open to developing relationships with downtown stakeholders in order to improve services and open to providing consulting services for economic development purposes. Republic Parking System has a very specific feeling and clear expectations about how to keep clean the facilities they manage and provide adequate lighting and security.

In addition to the proposed fixed fee, an estimated cost for special events in the amount of \$165,501 has been added based upon hourly rate reimbursement proposed by Republic plus the cost for a Unified Comprehensive Management System in the amount of \$240,000. Based on negotiations, City requested cost increase to maintain specific full-time staff resources and minimum livable wage adjustment plus additional equipment needs due to required EMV chip conversion in the amount of \$342,023.26. The total three year contract amount is estimated to be \$5,512,073.26 which includes the annual fixed fee contract amount over three years, \$5,346,572.26, plus an additional \$165,501 for the estimated

special event parking reimbursement. Based upon the contract, all attendant hours required for special events are to be reimbursed at a rate specified in the contract. The additional \$165,501 is an estimated amount based upon previous year's special event activity in the parking garages. Thus, depending on special event activity within the next three years, the total amount of contract could exceed \$5,512,073.26.

Contract Enhancements

- Contractor will implement an integrated management solution to assist in the ability to influence parking behavior to accomplish our goals, including minimum 85% on-street occupancy throughout the Downtown core, in the Ninth Street corridor and in the controlled residential neighborhood districts.
- Contractor will implement new measures and initiatives to ensure the timely payment of citations and a new system to increase payment compliance.
- Contractor will enhance the overall efficacy, efficiency, professionalism of the parking system while optimizing customer service satisfaction levels.

Contract Features

- Contractor will manage and operate four (4) parking garages and associated surface lots totaling 2,948 spaces;
- Contractor will manage and operate 14 open parking lots containing a total of 901 spaces;
- Contractor will manage and operate approximately 3,500 on-street parking spaces;
- Contractor will provide On-Street parking enforcement in the Downtown area, Ninth Street corridor, controlled residential parking areas surrounding the Duke University and North Carolina Central University campuses;
- There is no rate change in parking fees unless authorized by City Council;
- City continues to retain control of parking policy decisions;
- Duration of Agreement is 3 years with option to extend for an additional 3 years;
- Management fee will be fixed;
- Fee does not include new revenue control equipment and lighting cost (Management Company will evaluate existing equipment and lighting needs.);
- City may cancel Contract for convenience at any time;
- Contractor will pay all new employees at or above City's minimum livable wage;
- Contractor will provide an offer of employment for all current employees at current wages (at or above minimum livable wage) and benefits provided they pass standard pre-employment screening;
- Contractor will provide downtown parking office;
- Contract provides opportunity to adjust contract depending upon economic changes in downtown parking, i.e. surface or parking garage sold for economic development;
- Value Added Services for Technology Initiatives to include system designs and integrations, system branding, marketing campaigns, way finding programs; layout and functional designs; long range budgeting; feasibility studies; "Green" programs, etc.;
- License Plate Recognition (LPR) Solution to enhance enforcement efficiencies, accuracy and reduced disputes/appeals;
- Pay By Phone Integration;
- Enhanced on-site security personnel assigned to each parking garage from 6:00pm until 7:00am, seven days per week.
- Virtual permitting to reduce administrative and enforcement costs;
- Easily allow extraction of reports (standardize or custom) for system analysis, problem resolution, monitoring efficiency, etc.

- Achieve efficiency by incorporating a relational database that contains permits, properties, citations, vehicles, and customers;
- Provide an optimized system with a user friendly application for tracking citations issued, payment status, appeal requests and outcomes, collections efforts, pre-immobilization notices, vehicles that have been immobilized or have been approved for immobilization, the status/location of immobilized vehicles in a user friendly application
- Integrated enforcement hardware
- Utilize customer friendly systems/techniques such as 1st warning tracker.
- Provide the City with management flexibility in the areas of operation, maintenance, programming, and auditing
- Integrated, reliable, and improved accounting/reporting, and auditing of citations revenues.
- Manage penalties and fees of the solution at a level of affordability consistent with area household income.
- Contractor will provide a Tenant M20 sweeper/scrubber truck for the Durham parking operation. The M20 will dramatically improve the level of cleanliness in the City parking garages as well as help in their structural maintenance.
- Contractor will customize its Ambassador training program for the parking enforcement team.
- Contractor will utilize the highly reliable and fuel efficient Toyota Prius vehicles for on and off-street parking enforcement.
- Republic will maintain a 24/7/365 centralized call center, with bilingual capabilities, to assist parking customers with issues and concerns.

Alternatives

1. The City Council may choose not to execute this contract and direct staff to begin a new contractor selection process. This is not recommended. Further, due to time constraints, the City would need to operate on a month to month contract with Lanier Parking Systems until new contractor selection process is completed.
2. The City Council may choose not to execute this contract and direct staff to return the off-street and on-street parking management duties to the Department of Transportation. This option will require the hiring of staff to carry out the work, operating funds to support the function and is not recommended.
3. Execute the contract with Republic Parking Systems effective August 1, 2015. Recommended.

Financial Impact

The total cost of the proposed contract for parking management services with the recommended firm for the three year contract period is \$5,346,572.26, plus additional fees for special events parking estimated to be \$165,501 over the term of the contract.

The parking system management services (including estimated cost for special events) will require \$1,790,529.11 in FY 2015-2016 budget. The City will spend approximately \$281,354.44 through August 31, 2015 of the required FY 2014-2015 budget for parking management services to current contractor, Lanier Parking Systems, Inc. (LPS). The amount of funds required within FY 2015-2016 budget (September 1, 2015 – June 30, 2016) of the new contract with Republic Parking is \$1,509,174.67.

The total funds of \$1,790,529.11 required for July 1, 2015 – June 30, 2016 will be included in the proposed FY 2016 budget for City Council approval in June 2015.

The balance of the new contract of \$4,002,898.59 will be included in the future FY 2017 (\$1,832,749.00), FY 2018 (\$1,859,488.46), and FY 2019 (\$310,661.13) budgets for City Council approval in June 2016, June 2017, and June 2018 respectively.

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the proposal submitted by Republic Parking System, Inc. of Chattanooga, TN to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. The goals for this project are MSDBE 2% and WSDBE 0%. It was determined that Republic Parking System, Inc. is in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

SDBE REQUIREMENTS

Republic Parking System Inc. will subcontract to the following certified firm:

Firm	ID	City/State	Amount	% of Contract
CB & H Contracting, Inc.	MSDBE	Raleigh, NC	\$ 120,000	2.2%

The MSDBE goal was exceeded.

WORKFORCE STATISTICS

Workforce statistics for Republic Parking System, Inc. are as follows:

Total Workforce	2636	
Total Females	1035	(39%)
Total Males	1601	(61%)
Black Males	493	(19%)
White Males	912	(34%)
Other Males	196	(7%)
Black Females	335	(13%)
White Females	576	(22%)
Other Females	124	(5%)

Attachment

Contract for Parking Systems Management Services